United Nations A/59/485/Add.5

General Assembly

Distr.: General
16 December 2004

Original: English

Fifty-ninth session
Agenda item 87 (e)

Globalization and interdependence: integration of the economies in transition into the world economy

Report of the Second Committee*

Rapporteur: Mr. Azanaw T. **Abreha** (Ethiopia)

I. Introduction

1. The Second Committee held a substantive debate on agenda item 87 (see A/59/485, para. 2). Action on sub-item (e) was taken at the 23rd and 38th meetings, on 3 November and 7 December 2004. An account of the Committee's consideration of the sub-item is contained in the relevant summary records (A/C.2/59/SR.23 and 38).

II. Consideration of draft resolutions A/C.2/59/L.19 and L.59

2. At the 23rd meeting, on 3 November, the representative of Ukraine, on behalf of Armenia, Azerbaijan, Belarus, Bulgaria, Croatia, Georgia, Kazakhstan, Kyrgyzstan, Lithuania, Poland, Republic of Moldova, Romania, Russian Federation, Serbia and Montenegro, Slovakia, Tajikistan, Turkmenistan, Ukraine and Uzbekistan, introduced a draft resolution entitled "Integration of the economies in transition into the world economy" (A/C.2/58/L.19). Subsequently, Argentina, Austria, Belgium, Canada, Chile, Cyprus, the Czech Republic, Denmark, Estonia, Finland, France, Germany, Greece, Hungary, Ireland, Italy, Japan, Latvia, Luxembourg, Malta, Mongolia, the Netherlands, Norway, Peru, Portugal, the Republic of Korea, Slovenia, Spain, Sweden, Switzerland, Thailand, the former Yugoslav Republic of Macedonia, Turkey, Turkmenistan, the United Kingdom of Great Britain and Northern Ireland and the United States of America joined in sponsoring draft resolution A/C.2/59/L.19, which read as follows:

* The report of the Committee on this item will be issued in six parts, under the symbols A/59/485 and Add.1-5.

04-65187 (E) 181204

"*The General Assembly*,

"*Reaffirming* its resolutions 47/187 of 22 December 1992, 48/181 of 21 December 1993, 49/106 of 19 December 1994, 51/175 of 6 December 1996, 53/179 of 15 December 1998, 55/191 of 20 December 2000 and 57/247 of 20 December 2002,

"*Reaffirming also* the need for the full integration of the countries with economies in transition into the world economy,

"*Noting* the progress made in those countries towards market-oriented reforms, achieving macroeconomic and financial stability and economic growth, and the need to sustain those positive trends in the future,

"*Noting also* that in some economies in transition this progress has been significantly slower, resulting in lower aggregate development levels and lower per capita income, and noting further that focused international assistance to those economies is still needed to support their efforts in further building solid social and economic institutions, and to ensure that they are fully integrated into the world economy,

"*Stressing* the importance of continued international assistance to countries with economies in transition,

"*Recognizing* in particular the need to enhance the capacity of those countries to utilize effectively the benefits of globalization and more adequately respond to its challenges, including those in the field of information and communication technologies,

"*Recognizing also* the continuing need to ensure favourable conditions for market access of exports from countries with economies in transition, in accordance with multilateral trade agreements,

"*Recognizing further* the important role foreign direct investment should play in those countries, and stressing the need to create an enabling environment, both domestically and internationally, to attract more foreign direct investment to those countries,

"*Noting* the aspiration of the countries with economies in transition towards the further development of regional and interregional cooperation,

"*Taking note with appreciation* of the report of the Secretary-General,

"1. *Welcomes* the measures taken by the organizations of the United Nations system to implement General Assembly resolutions on the integration of the economies in transition into the world economy;

"2. *Calls upon* the organizations of the United Nations system, including the regional economic commissions and the Bretton Woods institutions, in collaboration with relevant non-United Nations multilateral and regional institutions, to continue to conduct analytical activities and provide policy advice and targeted and substantial technical assistance to the Governments of the countries with economies in transition aimed at strengthening the social, legal and political framework for completing market-oriented reforms, supporting national development priorities with a view to

sustaining the positive trends and reversing any declines in the economic and social development of those countries;

"3. *Emphasizes* in this regard the importance of the further integration of the countries with economies in transition into the world economy, taking into account, inter alia, the relevant provisions of the Monterrey Consensus of the International Conference on Financing for Development, the Johannesburg Declaration on Sustainable Development and the Plan of Implementation of the World Summit on Sustainable Development ('Johannesburg Plan of Implementation');

"4. *Stresses* the need to focus international assistance on those countries with economies in transition that face continuing difficulties in socio-economic development, implementing market-oriented reforms and in meeting internationally agreed development goals, including those contained in the United Nations Millennium Declaration;

"5. *Requests* the Secretary-General to submit to the General Assembly at its sixty-first session a report on the implementation of the present resolution, with particular focus on an analysis of the progress achieved in the integration of the countries with economies in transition into the world economy, their socio-economic development and the relevant activities of the organizations of the United Nations system."

3. At the 38th meeting, on 7 December, the Vice-Chairman of the Committee, Antonio Bernardini (Italy), introduced a draft resolution entitled "Integration of the economies in transition into the world economy" (A/C.2/59/L.59), which was submitted on the basis of informal consultations held on draft resolution A/C.2/59/L.19.

4. At the same meeting, the Committee adopted draft resolution A/C.2/59/L.59 (see para. 6).

5. In the light of the adoption of draft resolution A/C.2/59/L.59, draft resolution A/C.2/59/L.19 was withdrawn by its sponsors.

III. Recommendation of the Second Committee

6. The Second Committee recommends to the General Assembly the adoption of the following draft resolution:

Integration of the economies in transition into the world economy

The General Assembly,

Reaffirming its resolutions 47/187 of 22 December 1992, 48/181 of 21 December 1993, 49/106 of 19 December 1994, 51/175 of 6 December 1996, 53/179 of 15 December 1998, 55/191 of 20 December 2000 and 57/247 of 20 December 2002,

Reaffirming also the need for the full integration of the countries with economies in transition into the world economy,

Welcoming the progress made in those countries towards market-oriented reforms and achieving macroeconomic and financial stability and economic growth, inter alia, through sound macroeconomic policies, good governance and rule of law, and noting the need to sustain those positive trends,

Noting that in some economies in transition this progress has been slower, resulting in lower aggregate development levels and lower per capita income,

Stressing the importance of continued international assistance to countries with economies in transition to support their efforts towards market-oriented reforms, institution-building, infrastructure development and achieving macroeconomic and financial stability and economic growth, and to ensure that they are fully integrated into the world economy,

Recognizing in particular the need to enhance the capacity of those countries to utilize effectively the benefits of globalization, including those in the field of information and communication technologies, and to respond more adequately to its challenges,

Recognizing also the continuing need for favourable conditions for market access of exports from countries with economies in transition, in accordance with multilateral trade agreements,

Recognizing further the important role that foreign direct investment should play in those countries, and stressing the need to create an enabling environment, both domestically and internationally, to attract more foreign direct investment to those countries,

Recognizing the role that the private sector can play in the socio-economic development of those countries and their integration into the world economy, and stressing the importance of fostering a favourable environment for private investment and entrepreneurship,

Noting the aspiration of the countries with economies in transition towards the further development of regional and interregional cooperation,

Taking note with appreciation of the report of the Secretary-General,[1]

1. *Welcomes* the measures taken by the organizations of the United Nations system to implement General Assembly resolutions on the integration of the economies in transition into the world economy;

2. *Calls upon* the organizations of the United Nations system, including the regional commissions, and invites the Bretton Woods institutions, in collaboration with relevant non-United Nations multilateral and regional institutions, to continue to conduct analytical activities and provide policy advice and targeted and substantial technical assistance to the Governments of the countries with economies in transition aimed at strengthening the social, legal and political framework for completing market-oriented reforms, supporting national development priorities with a view to sustaining the positive trends and reversing any declines in the economic and social development of those countries;

3. *Emphasizes* in this regard the importance of the further integration of the countries with economies in transition into the world economy, taking into account, inter alia, the relevant provisions of the Monterrey Consensus of the International Conference on Financing for Development,[2] the Johannesburg Declaration on Sustainable Development and the Plan of Implementation[3] of the World Summit on Sustainable Development ("Johannesburg Plan of Implementation");[4]

4. *Stresses* the need to focus international assistance to countries with economies in transition on those facing particular difficulties in socio-economic development, implementing market-oriented reforms and meeting internationally agreed development goals, including those contained in the United Nations Millennium Declaration,[5] and welcomes efforts made by countries with economies in transition to improve governance and institutional capabilities in order to use aid more effectively;

5. *Welcomes* the efforts made by countries with economies in transition in implementing policies that promote sustained economic growth and sustainable development, including, inter alia, by promoting competition, regulatory reform, respect for property rights and expeditious contract enforcement, and calls on the United Nations system to highlight the successful models as good practices;

6. *Requests* the Secretary-General to submit to the General Assembly at its sixty-first session a report on the implementation of the present resolution.

---

[1] A/59/301.

[2] *Report of the International Conference on Financing for Development, Monterrey, Mexico, 18-22 March 2002* (United Nations publication, Sales No. E.02.II.A.7), chap. I, resolution 1, annex.

[3] *Report of the World Summit on Sustainable Development, Johannesburg, South Africa, 26 August-4 September 2002* (United Nations publication, Sales No. E.03.II.A.1 and corrigendum), chap. I, resolution 1, annex.

[4] Ibid., resolution 2, annex.

[5] See resolution 55/2.